




Weekly Briefing

Croatia External Relations briefing:
Evaluation on China International Import Expo (CIIE) in Croatia
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Evaluation on China International Import Expo (CIIE) in Croatia

China International Import Expo (CIIE) is a trade fair held in November 2018 at the National Convention and Exhibition Center in Shanghai in China. More than 3,000 companies from 130 countries all over the world, including 27 from Croatia, participated in this event, which offered them a platform to link up with potential business partners from China, the world's second biggest economy. Croatian companies saw the CIIE as an opportunity to make yet another step to present themselves to the Chinese market and strengthen the existing business ties. The CIIE fair is understood in Croatia as being a major initiative by China to pro-actively open its market to foreign products and reduce import duties.

China is opening up to the other markets

China organized the China International Import Expo (CIIE) to alleviate criticisms that its trade policy and huge surplus are upsetting the balance of the global economy and thus acted to show willingness to open its market to foreign companies and products.

China International Import Expo is a significant move for the Chinese government with which it is giving support to trade liberalization and economic globalization, a part of this being opening Chinese market to the world. It is understood in Croatia as a way for China to promote world economic growth and trade in order to make world economy more open.

CIIE gathered business communities, government officials, professional purchasers, exhibitors across the world and provided new channels for countries and regions to do business, strengthen cooperation between each other and promote prosperity of the world economy and trade. The aim of the China International Import Expo, it is explained in Croatia, was to provide new opportunities for countries around the world, including Croatia, to expand exports

to China and to create a collaborative business platform.

Croatian Prime Minister Andrej Plenkovic attended CIIE

The Croatian delegation to CIIE was accompanied by a number of journalists who reported with detail on the Prime Minister Andrej Plenkovic attending the opening ceremony where he informally met with Chinese President Xi Jinping and Premier of the State Council Li Keqiang. The meetings between leading people of China and Croatia are interpreted as reaffirming good relations and the constructive political dialogue between the two countries.

Croatia will host next 16+1 Summit in Dubrovnik in 2019, which includes China and 16 Central, E Eastern and Southeastern European countries with the aim of improving the economic cooperation and pursuing other forms of cooperation in mutual interest.

During his stay in Shanghai, Prime Minister Plenkovic took part appeared in a panel discussion “Trade and innovation” involving, among others, Microsoft founder Bill Gates and Alibaba founder Jack Ma. In his speech, Plenkovic spoke about innovators and inventors associated with Croatia, including inventor Faust Vrancic, the first man to jump with a parachute he invented; Nikola Tesla, a physicist, engineer and futurist whom the world owns for his contribution in designing alternating current electricity supply system; anthropologist Ivan Vucetic, who invented the dactyloscopy and was the first to solve a criminal case using fingerprints. Plenkovic also mentioned a young entrepreneur Mate Rimac, who has developed the world's fastest electric car Concept 2, a hyper-car that is at the pinnacle of technology.

The company Rimac Automobiles is a brilliant example of innovation coming from Croatia. This company has announced cooperation with the Chinese Camel Group which should result in the opening of a 158 million dollars electric motor and battery factory in Hebei province in central China¹.

¹ <https://www.tportal.hr/vijesti/clanak/plenkovic-u-sangaju-sudjelovao-na-velikom-uvoznom-sajmu-ciie-i-otvorio-ured-htz-a-foto-20181105>

Plenkovic also referred to the advantages that Croatia has in a geographical sense. Croatia has a unique position in Europe, it is a Mediterranean gateway to Central Europe and its seaports can become entry ports for all Chinese companies. By using Croatian ports, a whole week of traveling can be saved for all goods being shipped from Asia to Europe via the Suez Canal. Also, as an EU member state, Croatia is part of a large European market of over 500 million inhabitants, which is an opportunity for Chinese companies interested in cooperation.

During his stay in Shanghai, Croatian Prime Minister Andrej Plenkovic met Li Jian, General Manager of the Huawei telecommunications company for Europe, which has expressed interest in cooperation with Croatian companies.

Plenkovic also toured the 36-kilometer long Hangzhou Bay Bridge. Hangzhou Bay Bridge, that connects the municipalities of Jiaxing and Ningbo in Zhejiang province, is built by China Road and Bridge Corporation, the company that has been awarded the contract to construct Peljesac Bridge in Croatia. On 23 April 2018, the Croatian road operator and China Road and Bridge Corporation signed a contract of Peljesac Bridge worth 281 million euro. The bridge, 2.4 kilometers long and 55 meters high, should be built in 36 months.

Croatian-Chinese economic forum

As part of the China International Import Expo, the Croatian Chamber of Commerce organized a Croatian-Chinese economic forum, which was attended by around thirty Croatian companies that are in business of food processing, machine building, beverages and port operations among else (Koncar, Podravka, Badel 1862, Luka Ploce, etc.) interested in entering into business cooperation with Chinese partners and more than 130 Chinese companies.

The Croatian Chamber of Commerce established in 2017 a Representative Office in Shanghai to enable stronger institutional support for Croatian companies in their effort to enter the Chinese market.

China is the second-largest global economy and therefore significantly influences the world's commodity and economic developments, and as a major

importer of raw materials, it has a significant impact on the level of global prices. It is one of the largest and fastest growing global economies and the second largest EU foreign trade partner.

That is why China International Import Expo and the Croatian-Chinese economic forum were opportunities for Croatia, it is explained in the country, to learn more about China today to be able to take the benefit from the economic opening of China, its economic growth and the potential that could increase mutual trade relations.

As one of the world's leading economies, China offers numerous opportunities for foreign companies, as well as for Croatian entrepreneurs. With its huge market of nearly 1.4 billion people, China is now opening up to other markets and their exports, which is also a great opportunity for Croatian exporters. Accordingly, a strong engagement on the part of Croatian industries and companies is required.

Croatian National Tourist Board's first office in China opened in Shanghai

In addition, the first Croatian National Tourist Board's office in China was opened in Shanghai with the aim of strengthening tourist promotional activities in the Chinese market. The Croatian delegation accompanying Plenkovic attended the official opening ceremony along with the Croatian National Tourist Board director Kristijan Stanicic and the president of the Croatian Chamber of Commerce, Luka Burilovic.

Chinese are the fourth largest tourist group in Croatia. In 2017, there were 159.301 arrivals and 234.836 nights by Chinese tourists recorded by the Croatian statistics office.²

The opening up of Croatia towards China and Chinese tourists is a very important part of the mosaic of the Croatian tourist promotion. Apart from opening an office in Shanghai, the Croatian National Tourist Board is carrying out

² https://www.dzs.hr/Hrv_Eng/publication/2017/04-03-02_01_2017.htm

numerous activities to keep the trend of increasing the number of tourists from China. The Croatian National Tourist Board also organized common campaign with the Slovenian tourist organization called "Experience Croatia, Feel Slovenia", which aims to strengthen the visibility and reputation of the two countries on the Chinese market as attractive and authentic European tourist destinations.

"I'm sure of the excellent results that we will achieve in the future, as the Croatian tourist offer contains everything Chinese tourists prefer to consume – a rich cultural and historical heritage, preserved nature and quality gastronomy - said Franka Gulin, director of the office in Shanghai.³

Conclusion

The China International Import Expo was the opportunity for China to promote trade liberalization, make concerted efforts to enlarge and deepen the global trade, make good use of the driving role of international trade on the growth of world economy, and contribute to a more vigorous, inclusive and sustainable economic globalization.

In the next five years, China is expected to import products and services worth more than ten trillion dollars. China, which holds world's dominance in exports, is now opening up to other markets. This is seen as an opportunity for Croatian exporters to trade on a huge market of nearly 1.4 billion people.

Croatia believes that its trade capacity and economic opportunity are of interest to Chinese investors and business partners. This has already been demonstrated in trade investment, including goods trade, service trade, industrial conditions, investment and tourism. A number of Chinese companies, both state-owned and private, are expressing interest in Croatia. In the last couple of years Chinese investment and business activity in Croatia grew, in large part as a result of the current Croatian government openness to China. If Croatia's government

³ <https://www.vecernji.hr/biznis/otvoren-ured-predstavnistva-hrvatske-turisticke-zajednice-u-sangaju-1280755>

retains the same position, it is only expected that the level of Chinese economic presence will increase. In November 2018, Croatian Prime Minister Plenkovic attended the opening of the beginning of the construction of a wind farm by a Chinese investor worth 160 million euros. Taking into account increased Chinese investment, it is taken as logical by the Croatian government and the Croatian business community that China can welcome and accept exports from Croatia.

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